



Sierra Nevada Region



Power Revenue Requirement (PRR) Forecasted FY12 through FY15

	Forecasted FY12 PRR		Forecasted FY13 PRR		Forecasted FY14 PRR		Forecasted FY15 PRR	
	Expenses	Revenues	Expenses	Revenues	Expenses	Revenues	Expenses	Revenues
O&M Expense: /1								
Reclamation	\$39,183,110		\$40,366,551		\$41,709,734		\$43,461,207	
Western	\$56,128,371		\$57,855,911		\$60,577,864		\$62,151,406	
Total O&M Expense	\$95,311,481		\$98,222,462		\$102,287,598		\$105,612,613	
Purchase Power Expense:								
Custom Product and Supplemental Power /2	\$259,750,000	\$259,750,000	\$262,347,500	\$262,347,500	\$264,970,975	\$264,970,975	\$267,620,685	\$267,620,685
HBA Costs /3	\$2,243,670		\$2,333,417		\$2,426,753		\$2,523,824	
Purchases for Project Use customers /4	\$1,932,741		\$1,025,800		\$500,000		\$500,000	
Washoe Cost for BR	\$255,000		\$255,000		\$255,000		\$225,000	
Total Purchase Power Expense/Revenue	\$264,181,411	\$259,750,000	\$265,961,717	\$262,347,500	\$268,152,728	\$264,970,975	\$270,869,508	\$267,620,685
Interest Expense: /5								
Total Interest Expense	\$11,024,750		\$10,676,694		\$10,115,268		\$10,533,559	
Other Expenses: /6								
Total Other Expenses	\$3,903,283		\$4,020,381		\$4,140,993		\$4,265,223	
Project Repayment (Expense): /7								
Total Project Repayment	\$12,750,000		\$12,750,000		\$13,000,000		\$13,250,000	
Other Pass-through Expenses & Revenues:								
CAISO Market & GMC Charges for 2207A (WSLW)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
CAISO Expenses & Revenues /8	\$19,464,962	\$17,688,446	\$19,464,962	\$17,688,446	\$19,464,962	\$17,688,446	\$19,464,962	\$17,688,446
PG&E costs incurred for Wheeling	\$8,287,125	\$7,707,884	\$8,287,125	\$7,707,884	\$8,287,125	\$7,707,884	\$8,287,125	\$7,707,884
PATH 15 revenues and expenses	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000
Purchases and Sales for SBA /9	\$9,494,250	\$9,244,250	\$9,494,250	\$9,244,250	\$9,494,250	\$9,244,250	\$9,494,250	\$9,244,250
Resource Adequacy /10	\$1,963,265	\$1,622,704	\$2,022,163	\$1,671,385	\$2,082,828	\$1,721,526	\$2,145,313	\$1,773,172
Total Other Pass-through Expense/Revenue	\$39,221,602	\$36,275,284	\$39,280,500	\$36,323,966	\$39,341,165	\$36,374,107	\$39,403,650	\$36,425,753
Other Revenues:								
Non-firm energy sales		\$0		\$0		\$0		\$0
Miscellaneous Revenues /11		\$30,714,800		\$32,346,955		\$32,860,082		\$34,919,940
SC, PM, and VRC Admin Fees		\$2,310,348		\$2,310,348		\$2,310,348		\$2,310,348
Revenue from Ancillary Service Sales to IOA SBA Members		\$1,940,247		\$1,940,247		\$1,940,247		\$1,940,247
Total Other Revenues		\$34,965,395		\$36,597,550		\$37,110,677		\$39,170,535
Project Use Revenues: /12								
Total Project Use Revenues		\$19,000,000		\$19,200,000		\$20,500,000		\$21,750,000
Transmission Revenues: /13								
Total Transmission Revenues		\$0		\$0		\$0		\$0
Total Expenses & Revenues	\$426,392,527	\$349,990,679	\$430,911,754	\$354,469,015	\$437,037,752	\$358,955,760	\$443,934,553	\$364,966,973
Forecasted Power Revenue Requirement	Forecasted		Forecasted		Forecasted		Forecasted	
Total Expenses	\$413,642,527		\$418,161,754		\$424,037,752		\$430,684,553	
add: Project Repayment	\$12,750,000		\$12,750,000		\$13,000,000		\$13,250,000	
	\$426,392,527		\$430,911,754		\$437,037,752		\$443,934,553	
less: Total Revenues	(\$349,990,679)		(\$354,469,015)		(\$358,955,760)		(\$364,966,973)	
Estimated Power Revenue Requirement	\$76,401,847		\$76,442,738		\$78,081,992		\$78,967,580	

Notes:

Assumes current Rate methodology - New Rate Case is effective on Oct 1, 2011 and the Rate Structure could theoretically be different.

/1 Western's O&M is based on updated O&M data. Reclamation's O&M is based on forecast as of Oct 2010. Both agencies' budgets are adjusted for unfunded CSRS.

/2 Estimates for Custom Product and Supplemental purchase power costs (pass-through costs) are based on FY12 budget data and increased 1% each year.

/3 Estimated Host Balancing Authority (HBA) costs associated with Western operating a Sub-Balancing Authority Area (SBA). CY 2011 HBA costs are based on a letter from SMUD. Estimated a 4% increase in costs per year for FY 12 - 15.

/4 For FY12 & FY13 estimated purchase power costs to meet Project Use and First Preference loads are based on forward purchase costs. For FY14 & FY15 estimates are based on potential short-term purchases as no forward purchases are contemplated at this time.

/5 Interest Expense increases due to the planned investment occurring in the outyears.

/6 Based on FY11 estimated data and increased by 3% each year. This cost category includes such items as: Trinity Assessment, Path Operator costs, Western's share of the 27MW leases on COTP.

/7 Capital repayment includes projections, which factor in Western's planned investment in the forecasted time period.

/8 Based on actual and estimated data for FY10. The difference between revenues and expenses is generally CAISO costs associated with transactions to balance CVP generation on a daily and hourly basis.

/9 Purchases and sales of power to support the SBA.

/10 Projected costs associated with Resource Adequacy (RA). These purchases are based on estimated data.

/11 Please note that transmission revenues are included as a subset of miscellaneous revenues in compliance with Western's Standards of Conduct policies.

/12 Project Use Revenues are based on the most recent forecast.

/13 Transmission Revenues are included in the Miscellaneous Revenues category.

Forecast as of Oct 20, 2010